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The Effect of Return on Asset, Sales Growth, Leverage and Capital Intensity on Tax Avoidance of Mining Companies Listed on The Indonesia Stock Exchange Period 2017-2020

Pramayoga Wilyaka[1)*]

[1)]Universitas Buddhi Dharma
Jl. Imam Bonjol No. 41 Karawaci Ilir, Tangerang, Indonesia
[1]prama.yoga99@gmail.com Article

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Abstract

Rapid economic growth requires companies to finance state expenditures in the context of national development which creates a desire for companies to avoid tax. This study aims to obtain empirical evidence about the Effect of Return on Assets, Sales Growth, Leverage and Capital Intensity on Tax Avoidance. The independent variables used are Return on Assets, Sales Growth, Leverage and Capital Intensity. While the dependent variable used is Tax Avoidance.

The object of this research is a company that is included in a mining company listed on the Indonesia Stock Exchange. This type of research is quantitative research. The population in this study amounted to 47 companies that are included in the mining sector listed on the IDX. The research sample used purposive sampling method and obtained 12 samples as observations. The source of the data for this research is data downloaded through www.ticmi.com to obtain the company's financial statements as the research sample. The data analysis technique used in this study uses the SPSS version 25 program.

The conclusion of this study is that Return on Assets has no effect on Tax Avoidance, Sales Growth has no effect on Tax Avoidance, Leverage has no effect on Tax Avoidance, capital intensity has no effect on Tax Avoidance, and Return on Assets, Sales Growth, Leverage, and Capital Intensity simultaneously affect Tax Avoidance.

I. INTRODUCTION

Rapid economic growth requires companies to create all the potentials possessed by the state as a source of income to finance all state expenditures in the context of national development. Taxes are the largest source of state revenue besides revenues from natural resources (Adhivinna 2017).

In developing countries, especially Indonesia, the Government uses taxes for national development in order to achieve general welfare in various sectors of life. The number of companies as corporate taxpayers operating in Indonesia is an advantage for the government in tax revenue. The company's contribution in the field of taxation has a large enough share in the tax revenue of a country if the company has awareness in making tax payments correctly and on time.

In economic development in Indonesia, SMEs are always described as a sector that has an important role, because most of the population has low education and lives in small business activities, both traditional and modern sectors. However, the development efforts that have been carried out have not yielded satisfactory results, because in reality the progress of SMEs is very small compared to the progress that has been achieved by large businesses (Simbolon 2021).

Taxes are the largest source of income in Indonesia, more than 70% of state revenue comes from tax revenues so that taxes are used as a support for national income. On the other hand, efforts to increase tax revenue are hindered by constraining factors, one of which is tax avoidance activities.

Tax avoidance are obstacles that occur in tax collection, resulting in reduced state treasury revenues. Tax avoidance is always defined as a legal activity and tax evasion is defined as an illegal activity. In short, tax avoidance is the steps taken by someone to avoid taxes but in legal ways.

Even though tax avoidance is legal, the government still doesn't want it. Tax avoidance is an effort to ease the tax burden by not violating existing laws.

According to (Fionasari 2020), tax avoidance can be done by:

1. Transferring tax subjects and/or tax objects to countries that provide special tax treatment or tax relief (tax haven countries) for a type of income (substantive tax planning).
2. Efforts to avoid tax by maintaining the economic substance of transactions through formal elections that provide the lowest tax burden (formal tax planning).
3. Tax avoidance provisions on transfer pricing, thin capitalization, treaty shopping, and controlled foreign corporation transactions (Specific Anti Avoidance Rule), as well as transactions that do not have business substance (General Anti Avoidance Rule).

In supervising tax obligations, especially related to tax avoidance practices, bank secrecy needs important attention both for banks as an entity and as a bank as a channel used by other entities to practice tax avoidance. In an effort to be transparent in the banking sector, the government issued a legal product PER-01/PJ/2015 which is a change from PER-53/PJ/2009 regarding the form of the final income tax return form article 4(2), article (15), article (22) and/or 26 as well as proof of withholding. The important points in the regulation are attachment I.5 regarding the form of withholding income tax article 4(2) on deposit/savings interest, discount on SBI and Current Accounts paid by the Bank which requires the Bank to make proof of deduction for each withholding tax from every customer.

Service activities are accounting according to the American Institute of Certified Public Accountants (AICPA). Its function is to facilitate quantitative data from economic business entities, especially data of a financial nature, which is used to make economic decisions in determining options for certain circumstances (Wi, Salikim, and Susanti 2021).

Voluntary changes in accounting methods, usually associated with managers' efforts to replace or change an existing accounting method (generally accepted accounting principle-GAAP). An example of this is changing the inventory valuation method from FIFO to LIFO or vice versa (Chandra 2019).

The revelation of the Panama Papers case a few years ago succeeded in re-popularizing the term tax haven or tax asylum. The term tax haven is actually not new in the world of taxation. Tax Haven is a term that describes a country that is a haven for individual taxpayers and corporate entities, so as to reduce or even avoid the burden of paying taxes. However, in general, a tax haven is defined as a country or region that imposes a low tax rate, even up to zero percent, and provides a guarantee of confidentiality for the assets stored.

The Director General (Directorate General) of Taxes at the Ministry of Finance (Kemenkeu) spoke about the findings of tax avoidance or tax avoidance in 2021 which is estimated to cost the state up to IDR 68.7 trillion per year. The findings announced by the Tax Justice Network reported that due to tax avoidance, Indonesia is estimated to lose up to US$ 4.86 billion per year or equivalent to Rp. 68.7 trillion (Khomarul Hidayat 2021).

The Tax Justice Network (TJN) study in 2021 stated that an independent organization based in London, England, noted that tax evasion had cost the world around US$427 billion per year or around Rp. 6,046 trillion (assuming an exchange rate of Rp. 14,160 per US dollar).). The avoidance is done by escaping the money to a tax haven country. In a statement, TJN said it had screened records around the world and urged global action on the shadow tax asylum that has diverted billions of dollars from countries currently battling the COVID-19 pandemic. In this regard, TJN examines the tax declarations and multinational figures compiled by the Paris-based Organization for Economic Cooperation and Development (OECD) since 2016 (CNN Indonesia 2021).

Profitability is the company's ability to earn profits through all existing capabilities and resources such as sales activities, cash, capital, number of employees, number of branches and so on. Profitability has an influence in the issuance of financial statements (Yanti and Oktari 2018).

They also conducted an assessment of 2018 individual data from the Bank for International Settlements. "Countries lose more than US$427 billion in taxes every year due to abuse of international corporate taxes and private tax evasion," said TJN in its study, as quoted by AFP. This amount, according to TJN, is equivalent to nearly 34 million nurses' annual salaries per year, he said. TJN also estimates that the total amount of tax evasion consists of US$245 billion perpetrated by businesses and US$182 billion perpetrated by individuals. According to the study, multinational corporations divert about US$1.38 trillion in profits through tax havens, while private individuals invest more than US$10 trillion in assets there.

The problem of avoiding the tax burden is a complex and unique problem. On the one hand, tax avoidance is allowed, but on the other hand it is undesirable. This tax avoidance is said to be not in conflict with the regulations

of the tax law because it is considered that the practice related to tax avoidance takes advantage of the loophole in the tax law which will affect state revenues from the tax sector (Madya 2021).

One of the factors that determine the occurrence of tax avoidance is the Return on Assets (ROA). According to Kurniasih & Sari (2013) ROA is an indicator that reflects the company's financial performance, the higher the ROA value, the better the performance of a company. ROA is related to the net profit generated by the company and the imposition of taxes that must be paid by the company (Adhivinna 2017).

In addition to ROA, one of the factors that can be used as a tax avoidance tool is Leverage. Leverage is the use of debt, both long and short term, to meet the needs of funds used for company operations other than working capital.

Leverage is part of the financial ratio that describes the relationship between debt to capital and company assets. Leverage shows how far the company is financed by debt or foreign parties with the company's ability as described by capital.

Then what affects tax avoidance is sales growth. Sales growth is the change in sales in the annual financial statements that can reflect the company's prospects and profitability in the future. The company's sales may decrease or increase. Increased sales growth will make the company get a big profit. This causes the company's tax burden to be large as well, thus encouraging companies to practice tax avoidance.

Sales have a strategic influence on the company, because sales made by the company must be supported by assets or assets, if sales are increased, assets must also be added. Companies can properly optimize existing resources by looking at sales from the previous year. Sales growth has an important role in working capital management.

Sales growth at the company cannot determine how much income is generated because people's income cannot be known. There are many competitors out there, with the same goods but at a cheaper price and people always want what they need but at an affordable price (Rahmi, Nur'saadah, and Salim 2020).

Fixed assets have a depreciation value during use within a certain period of time where depreciation expense is a part that can reduce the tax burden in calculating tax on the financial statements. This means that the greater the depreciation expense on the company, the smaller the amount of tax that must be paid by the company. Companies that have a low effective tax rate show a large capital intensity ratio, with a low effective tax rate indicating that the company carries out tax avoidance activities.

II. LITERATURE REVIEW

Tax

"From a Standing Development Tax.". This tagline or slogan is very apt to describe how taxes and development are interrelated and become an inseparable unit. Like two sides of a coin, the existence of taxes and development are two things that complement each other. Because of its importance, taxes are something that is almost unavoidable in the life of society, nation and state. Taxes are absolute. Thus, Benjamin Franklin (1706-1790), statesman and physicist from the United States in a letter sent to his colleague, Jean-Baptiste Le Roy, on November 13, 1789, half-jokingly said, "In life nothing is certain, except death and taxes."

Taxes have a very important and vital role in the life of society, nation and state. Development that takes place continuously and continuously with the aim of improving the welfare of the people materially and spiritually can be carried out if sufficient funds are available. And the funds needed for these various expenses are quite large.

Taxes as the main source of state revenue need to be continuously improved. Especially in the unstable economic conditions as it is today. Meanwhile, on the other hand, infrastructure development in all corners of Indonesia is also being intensively carried out by the government. As the main source of state revenue, taxes account for about 70% of all state revenues. Without taxes, most state activities would be difficult to carry out. How not, the use of taxes covers many aspects, including personnel expenditures to financing various development projects (Mahpuding, Suhono, and Kokasih 2020).

Because taxes are the spearhead of a country's development, it is appropriate for citizens from various walks of life and circles to participate and provide support by obediently paying taxes. Without the support of large funds, both funds originating from domestic revenues in the form of taxes and funds originating from domestic revenues, it is impossible for the state to realize the ideals for the welfare of its people through development. specifically dealing with tax affairs named the Directorate General of Taxes under the Ministry of Finance.

The definition of tax in the Law of the Republic of Indonesia Number 28 of 2007 concerning Taxation is as follows: "Tax is a mandatory contribution to the state owed by an individual or entity that is coercive under the law, with no direct compensation and is used for state for the greatest prosperity of the people".

According to (Sudirman et al., 2020), taxes are contributions from the community to the state that can be imposed and owed by parties who are obliged to pay them based on laws and regulations without getting direct returns which are used to finance general expenses related to the duty of the state in administering the government.

Return on Assets

Understanding ROA or Return on Assets is a type of profitability ratio that is able to assess the company's ability to earn a profit from the assets used. Return on Assets will assess the company's ability based on past profits so that it can be used in the next period or period. In this case, assets are all company assets obtained from own capital or capital from outside parties that have been converted by the company into various company assets so that the company can survive.

Return on Assets (ROA) is a ratio that shows the results (return) on the total assets used in the company. In addition, Return on Assets (ROA) provides a better measure of the company's profitability because it shows the effectiveness of management in using assets to earn income. Measurement by comparing the company's net profit after tax with total assets.

The standard that must be achieved for Return on Assets is a value of 5.98%, if the ratio reaches a value of 5.98%, it means that the Return on Assets value can be said to be good (Saefullah, Listiawati, And Abay 2018).

Sales Growth Sales

growth plays an important role in working capital management. Growth is expressed as growth in total assets where past asset growth will reflect the level of future profitability and future growth (Aprilia 2021).

Sales growth is a change in total assets in the form of an increase or decrease experienced by the company during a period (one year). Based on the aspect of sales from year to year which continues to increase, a company can be said to be good. This will have an impact on increasing the company's profit so that it will increase internal funding as well. Companies that are in high sales growth will need greater support from company resources. Conversely, if sales growth is low, then the need for resources will also be smaller.

Sales growth measures how well a company maintains its overall economic position. Growth is calculated using sales or revenue growth and growth in profit after tax. If the company's growth is fast, the greater the need for funds for expansion. The greater the need for future financing, the greater the company's desire to retain profits. So, a growing company should not distribute profits as dividends, but rather use it for expansion.

Sales growth plays an important role in working capital management. Growth is expressed as the growth of total assets where the growth of past assets will describe the level of future profitability and future growth (Febriana et al. 2021).

Leverage

Debt is an unavoidable reality. Almost no modern society is completely free from the influence of debt, the difference is perhaps the level of dependence or affinity with debt. Meanwhile, companies have a greater dependence on debt, which in modern business terms is called leverage (Pranaditya, Andini, and Andika 2021).

Leverage is the use of assets and sources of funds that have a fixed burden (cost) with the intention of increasing the potential profits of shareholders. Leverage consists of two types, namely operating leverage and financial leverage. Operating leverage is the use of assets with a fixed load while financial leverage is the use of funds with a fixed load. Often creditors and shareholders are interested in seeing the size of a company's operating leverage and financial leverage with the aim of knowing how much the company's ability to generate profits is to cover existing costs and generate profits to return the capital that has been invested in the company.

Leverage can be defined as the extent to which fixed income can cover the fixed expenses (debt and preferred stock) used in the capital structure of a company. Changes in the use of debt will automatically cause changes in earnings per share. These changes will also increase the level of risk that will affect stock prices. The higher the amount of debt in the capital structure, the higher the risk, so the higher the interest expense that will be charged to the company by the lender. Leverage is the company's ability to fund its business by comparing its own capital to foreign capital. The leverage ratio shows the ratio of funds borrowed from creditors compared to funds provided by their owners.

Capital Intensity

Understanding internal intensity (Zodhi 2020) Capital intensity is an investment activity carried out by a company that is associated with investment in the form of fixed assets (capital).

Capital intensity describes how much the company invests its assets in fixed assets. Generally, almost all fixed assets will experience depreciation which in the company's financial statements will be an expense that can

reduce income in the calculation of corporate taxes. The greater the depreciation expense, the smaller the tax rate that must be paid by the company.

Tax Avoidance

Tax avoidance is a tax avoidance scheme with the aim of reducing the tax burden by taking advantage of loopholes in tax regulations in a country. Tax avoidance is legal because it does not violate tax provisions (Wijaya and Rahayu 2021).

Tax avoidance is an effort made by taxpayers with the aim of reducing the tax payable. Even though this does not violate the law (the letter of the law), it is contrary to the purpose of the tax regulations (the spirit of the law). Tax avoidance is an effort to reduce, avoid, and ease the tax burden in a way that is allowed by the taxation law. In this case, tax avoidance is measured using the Effective Tax Rate (ETR), which is cash spent on tax costs or expenses divided by profit before tax, where the lower the ETR value, the higher the level of tax avoidance.

In addition, that supports tax avoidance, among others, is the term Tax haven. Tax havens are areas where applicable tax rates are low and other tax regulations benefit investors. Tax havens are countries that deliberately set lower tax rates or even no taxes at all. Tax protected countries impose lower or no tax rates, have less transparency over tax and financial regulations, and have legal and information practices that make information exchange ineffective. Companies that are in a tax-protected country play a role in controlling the business, insurance, treasury, and service functions of the group of companies.

III. METHOD

Types of Research The

type of research used is quantitative research. Quantitative research is a type of research that produces new findings obtained by using statistical procedures or other means of a (quantitative) measurement that focuses more on research on several symptoms that have certain characteristics in human life, namely variables. Based on the problems and research objectives, namely to determine the effect of return on assets, sales growth, leverage, and capital intensity and company size on tax avoidance sourced from the company's financial statements.

Sample The

sample is a collection of the population taken by the researcher if the population studied is large and the researcher has limitations in terms of funds, manpower, and time. The sample in this study was taken using a non-probability sampling technique with a purposive sampling approach. These criteria are determined to eliminate samples that are not in accordance with the study. The criteria used in determining the sample are as follows:

a. Mining companies that publish audited financial statements as of December 31, 2017-2020 in a row.
b. Mining companies that have financial reports with complete information related to the variables studied during the 2017-2020 period.
c. Mining companies that did not suffer losses during 2017-2020.
d. Mining companies that do not change sectors during the span of the research year, namely 2017-2020.
e. Mining companies that do not have outlier data.

Operationalization of Research

Variables	Indicators	Formulation	Measurement scale
Return on assets (X1)	Total Assets	$\frac{Net\ profit\ after\ tax}{Total\ assets}\ x\ 100\%$ (Febriana et al. 2021)	Ratio
(X2)	Sales Growth	$\frac{Current\ year}{sales\ previous\ year\ sales}\ x\ 100\%$ (Aprilia 2021)	Ratio
Laverage	Debt of Equity	$\frac{Total\ Debt}{Total\ Capital}$ (Novita, Titisari, and Suhendro 2020)	Ratio

(X4)	Capital Intensity	$\frac{Total\ Fixed\ Assets}{Total\ Total\ Assets}$ (Novita et al. 2020)	Ratio
(Y)	Effectivity Tax Ratio Tax	$\frac{burden}{Profit\ before\ tax}$ (Novita et al. 2020)	Ratio

Data Collection

Researchers used literature studies and documentation in the research conducted. Literature studies are carried out by reading previous research journals, books, internet sites, news, articles, and papers related to the research. Then the documentation is done by collecting, recording, sorting, and conducting a study of the data related to the studied variables contained in the financial statements of mining companies listed on the Indonesia Stock Exchange (IDX).

Data Analysis Techniques

1. Descriptive Statistical

In the book (Ghozali 2018) descriptive statistical essays can provide an overview or descriptive can provide an overview or description of data that can be seen from the average value (mean), standard deviation, variance, maximum, minimum, sum, range, kurtosis, and swekness (sloping distribution).

2. Multiple Linear Regression Analysis Regression

analysis was used to examine the effect of the independent variables, namely return on assets, sales growth, leverage and capital intensity on tax avoidance with linear regression with a significance level of 5 percent. Multiple linear regression analysis aims to test the direction of the positive or negative relationship between the independent variable and the dependent variable and to predict whether the independent variable can affect the dependent variable. The data used is an interval or ratio scale. The value of the regression coefficient becomes the basis of the analysis, if the coefficient b is positive, it means that it shows a unidirectional relationship between the independent variable and the dependent variable. If the dependent variable increases, the independent variable will increase and vice versa. While the negative b coefficient means that it shows an opposite relationship, if the dependent variable increases, the independent variable will decrease, and vice versa. The equation used is:

$Y = + 1X1 + \beta 2X2 + 3X3 + 4X4 + \beta 5X5 + e$

Description :

Y : Tax avoidance (ETR)
: Constant1
... 4 : Coefficient of Linear Regression
X1 : Return on assets
X2 : Sales growth
X3 : Leverage
X4 : Capital Intensity
e : Standard Error

3. Classical Assumption Test The classical

assumption test is used to determine whether the data studied meet the basic assumptions to avoid biased assumptions. Classical assumption test was conducted to test the feasibility of the data. The tests used were normality, heteroscedasticity, autocorrelation, and multicollinearity.

a. Normality

Test Normality test aims to determine whether the confounding variable or residual has a normal distribution in a regression model. The basis for decision making in the normality test are:

1. If the histogram graph shows a normal distribution or the data spreads around the diagonal line and follows the direction of the diagonal line, then the regression model meets the normal assumption.
2. If the histogram graph shows no normal distribution or data spreads far from the diagonal line and or does not follow the direction of the diagonal line, then the regression model does not meet the normal assumption. In addition to using histogram graphs, normality test is also used with the Kolmogorov Smirnov One Sample method. This test is a normality test that compares the data distribution with the standard normal distribution. If the significance level is above 0.05, then the data is normally distributed. On the other hand, if the significance level is below 0.05, there is a significant difference between the data distribution and the standard normal distribution, which means that the data is not normally distributed.

b. The heteroscedasticity

test aims to test whether there is an inequality of variance from the residuals of one observation to another in a regression model. The way to find out the occurrence of heteroscedasticity in a multiple linear regression model is to look at the scatter plot graph between the predicted value of the dependent variable (SRESID) and the residual error, namely ZPRED.

If there is no certain pattern and the plot spreads above and below the number 0 on the y-axis, then there is no heteroscedasticity. Meanwhile, if a certain pattern occurs, and or the pattern does not spread above and below the number 0 on the y-axis, then heteroscedasticity occurs. The accepted regression model is if there is no heteroscedasticity.

c. Autocorrelation

Test Autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the error in period t-1 (previous). If there is a correlation, it is called an autocorrelation probability. Autocorrelation arises because successive observations over time are related to each other. This problem arises because the residual (interference error) is not independent from one observation to another to detect the presence or absence of autocorrelation in this study using the Durbin Watson value (DW test) with the following criteria:
1. A DW number below -2 means there is positive autocorrelation
2. A DW value between -2 and 2 means that there is no autocorrelation
3. A DW number above 2 means that there is a negative

d. Multicollinearity

Test The multicollinearity test aims to test whether the regression model should not have a correlation between the independent variables. If the independent variables are correlated, then these variables are not orthogonal. Orthogonal variables are independent variables whose correlation value between independent variables is equal to zero. To perform this test, it can be seen from the tolerance value and variance inflation factor (VIF). If the tolerance value is less than 0.10 or VIF is more than 10, then multicollinearity occurs. Meanwhile, if the tolerance value is more than 0.10 or VIF is less than 10, then there is no multicollinearity.

4. Hypothesis

testing is carried out to prove whether the variables have an influence on return on assets, sales growth, leverage and capital intensity on tax avoidance in mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2017 - 2020.

a) Coefficient of Determination (R^2)

The coefficient of determination R^2 measures how far the ability of the independent variable to explain the dependent variable. The value of the coefficient of determination is between zero and one. If the coefficient of determination is zero, it means that there is no relationship between the independent variable and the dependent variable. If the coefficient of determination is getting closer to one, the relationship between the independent variable and the dependent variable is getting stronger.

b) Simultaneous Significance Test (Statistical Test F)

Test to determine whether the independent variable (independent) simultaneously (simultaneously) affects the dependent variable (dependent). The significance level used is 0.05 with degrees of freedom (n - k), where n is the number of observations and k is the number of variables. The decision criteria in the F test are:
1. If > 0.05, then the hypothesis is accepted;

2. If < 0.05, then the hypothesis is rejected.

Or the number F table can be seen in table F at a significance level of 0.05 where df1 is the number of variables minus 1 and df2 is the amount of data minus the number of independent variables minus 1 (nk-1).

c) Individual Parameter Significant Test (t Test Statistics)

In the book (Ghozali, 2018) the t statistical test shows how far the influence of one independent variable individually in explaining the variation of the dependent variable. This test is done by comparing the value of t count with t table with a significance level of 0.05 (5%).

The decision-making criteria are:

1. If the significant value <0.05 means that the independent variable partially affects the dependent variable, then the hypothesis is accepted.
2. If the significant value > 0.05 means that the independent variable partially does not affect the dependent variable, then the hypothesis is rejected.

Or

1. If t count > t table, then Ho is rejected and Ha is accepted. This shows that the independent variable partially has a significant effect on the dependent variable.
2. If t count < t table, then Ho is accepted and Ha is rejected. This shows that the independent variable partially has no significant effect on the dependent variable.

IV. RESULTS

of the Selection Stage Criteria Purposive Sampling Method

Number	Criteria	Amount
1.	Mining companies that publish audited financial statements as of December 31, 2017-2020 in a row.	47
2.	Mining companies that do not have financial reports with complete information related to the variables studied during the 2017-2020 period	(47)
3.	Mining companies that experience losses during 2017-2020.	(25)
4.	Mining companies that change sectors during the span of the research year, namely 2017-2020.	(0)
5.	Mining companies that have outlier data.	(6)
	TOTAL SAMPLES	12
	TOTAL SAMPLES DURING 2017-2020 (12x4)	48

Source: SPSS Version 25.

No	Stock Code	Company Name
1	ADRO	PT Adaro Energy Tbk
2	BSSR	PT Baramulti Suksessarana Tbk
3	BYAN	PT Bayan Resources Tbk
4	CITA	PT Cita Mineral Investindo Tbk
5	DEWA	PT Darma Henwa Tbk
6	ELSA	PT Elnusa Tbk
7	GEMS	PT Golden Energy Mines Tbk
8	MBAP	PT Mitrabara Adiperdana Tbk
9	MYOH	PT Samindo Resources Tbk
10	PTBA	PT Bukit Asam Tbk

11	RUIS	PT Radian Utama Interinsco Tbk
12	TOBA	PT Toba Bara Sejahtera Tbk

Source: SPSS Version 25.

Descriptive Statistical Test.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Return On Assets	48	,02	,46	,1365	,10546
Sales Growth	48	,63	1,98	1,1585	,31128
Leverage	48	,17	1,95	,7746	,44477
Capital Intensity	48	,23	,91	,5244	,15352
Tax avoidance	48	,15	,45	,2854	,06098
Valid N (listwise)	48				

Source: SPSS Version 25.

The Tax Avoidance variable from 48 data has a minimum value of 0.15, which is found in the company PT Toba Bara Sejahtera Tbk. In 2020 this happens because the income tax burden on the company has a high value. The maximum value of the Tax Avoidance variable is 0.45, which is found in the company PT Radian Utama Interinsco Tbk. In 2017 this happens because the income tax burden on the company has a fairly high value. The average value (mean) on the Tax Avoidance variable is 0.2854 indicating that during the 2017-2020 period, in general, Tax Avoidance in the companies sampled in this study experienced an average increase of 0.2854 and the Tax Avoidance variable has a standard deviation value. of 0.06098 it shows the standard deviation is smaller than the average value (0.06098 < 0.2854) so that the Tax Avoidance variable has a small distribution.

The Return On Asset variable from 48 data has a minimum value of 0.02, which means that the lowest sample only has 0.02 of net income compared to total assets, namely PT Radian Utama Interinsco Tbk in 2017, 2020, and PT Adaro Energy Tbk in 2017. 2020. The maximum value of the Return On Asset variable is 0.46, which means that net profit compared to total assets, which is found at PT Bayan Resources Tbk in 2018. The average value (mean) is 0.1365, which means that the average sample of companies has Return On Assets. by 0.1365x larger than that of the company. And the Return On Assets variable has a standard deviation of 0.10546, it shows that the standard deviation is smaller than the average value (0.10546 < 0.1365) so that the Return On Assets variable has a small distribution.

The Sales Growth variable from 48 data has a minimum value of 0.63 which is found in the companies PT Darma Henwa Tbk and PT Toba Bara Sejahtera Tbk. In 2020 this happened because the company's income the previous year was greater than the company's income for the current year. The maximum value of the Sales Growth variable is 1.98, which is found in PT Darma Henwa Tbk and PT Golden Energy Mines Tbk. In 2017 this happened because the company experienced an increase in income compared to the previous year. The average value (mean) in the Sales Growth variable is 1.1585, indicating that during the 2017-2020 period, in general, Sales Growth in the companies sampled in this study experienced an average increase of 1.1585. And the Sales Growth variable has a standard deviation value. of 0.31128 it shows the standard deviation is smaller than the average value (0.31128 <1.1585) so that the Sales Growth variable has a small distribution.

The Leverage variable from 48 data has a minimum value of 0.17, which is found in the company PT Samindo Resources Tbk in 2020, because this company has total liabilities that are less than total equity. The maximum value of the Leverage variable is 1.95, which is found at PT Radian Utama Interinsco Tbk in 2020. This

happened because there was a high increase in total liabilities in that year, while the company's total equity slightly increased. The average value (mean) is 0.7746, which means that the average company sample has a leverage of 0.7746. And the Leverage variable has a standard deviation value of 0.44477, it shows the standard deviation is smaller than the average value (0.44477 < 0.7746) so that the Leverage variable has a small distribution.

The Capital Intensity variable from 48 data has a minimum value of 0.23 which means that the lowest sample only has 0.23 of total fixed assets compared to total assets, which is found in the company PT Samindo Resources Tbk in 2020. The maximum value of the Capital Intensity variable is 0.91 which means that the total fixed assets compared to total assets, namely PT Toba Bara Sejahtera Tbk in 2020. The average value (mean) is 0.5244 which means that the average sample company has a Capital Intensity of 0.5244. And the Capital Intensity variable has a standard deviation value of 0.15352, it shows the standard deviation is smaller than the average value (0.15352 < 0.5244) so that the Capital Intensity variable has a small distribution.

Multiple Linear Regression Analysis Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	,266	,043		6,148	,000		
	Return On Asset	-,234	,092	-,404	-2,527	,015	,615	1,625
	Sales Growth	,029	,028	,150	1,047	,301	,769	1,300
	Leverage	,043	,021	,317	2,069	,045	,673	1,487
	Capital Intensity	-,031	,054	-,077	-,566	,574	,849	1,178

a. Dependent Variable: Tax avoidance

Source: SPSS Version 25.

From the table above, the regression equation can be arranged, namely:
Y= a + b1X1 + b2X2 + b3X3 + b4X4 +
Y= 0.266 - 0.234X1 + 0.029X2 + 0.043X3 - 0.031X4 +
The regression equation above can be interpreted as follows:

a. Constant (a)
The coefficient value for the constant is 0.266. This constant value shows that if the return on assets, sales growth, leverage, and capital intensity variables are 0 then the value of the dependent variable tax avoidance is 0.266.

b. Return On Assets (ROA) against Tax Avoidance.
The return on asset (ROA) coefficient value is -0.234. This shows that for every additional point of return on assets (ROA), it will reduce tax avoidance by 0.234.

c. Sales Growth against Tax Avoidance.
The value of the sales growth coefficient is 0.029. This shows that for every additional one point of sales growth, it will increase tax avoidance by 0.029.

d. Leverage (DER) against Tax Avoidance.
The leverage coefficient (DER) is 0.043. This shows that for every additional point of leverage (DER), it will increase tax avoidance by 0.043.

e. Capital Intensity on Tax Avoidance.
The value of the Capital Intensity coefficient is -0.031. This shows that for every additional point of Capital Intensity, it will increase tax avoidance by 0.031.

Classical Assumption

A. Test One-Sample Normality

Test Kolmogorov-Smirnov Test

			Unstandardized Residual
N			48
Normal Parameters[a,b]	Mean		,0000000
	Std. Deviation		,05016886
Most Extreme Differences	Absolute		,104
	Positive		,102
	Negative		-,104
Test Statistic			,104
Asymp. Sig. (2-tailed)			,200[c,d]
Monte Carlo Sig. (2-tailed)	Sig.		,638[e]
	99% Confidence Interval	Lower Bound	,626
		Upper Bound	,650

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

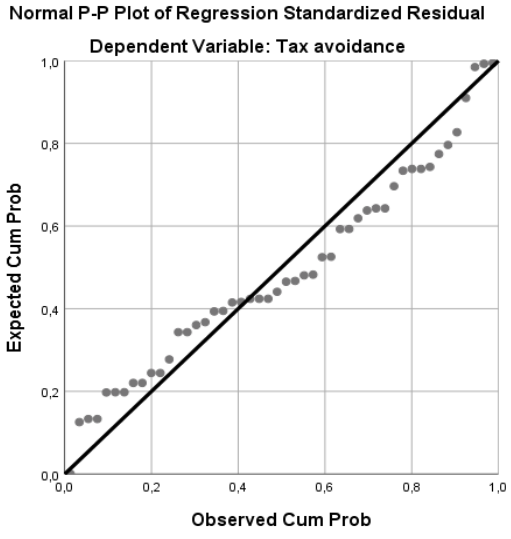
d. This is a lower bound of the true significance.

e. Based on 10000 sampled tables with starting seed 299883525.

Source: SPSS Version 25.

Asymp value. Sig.(2-tailed) is 0.200, which means it is greater than the predetermined level of significance (α) which is 0.05. This shows that the data used is normally distributed. Thus, the data obtained from the sample companies are suitable for use in this study, the normality test can also be seen through the Normal PP PLOT Of Regression Standardized Residual is a research data that can be said to be normal if the data spreads around the diagonal line and follows the direction of the diagonal line. the. The following are the results of the Normal PP PLOT Of Regression Standardized Residual:

Normality Test Results



Source: SPSS Version 25.

Based on Figure IV.1 shows that the P-P PLOT analysis of Standardized Residual Regression shows that the points spread around the diagonal line and follow the direction of the diagonal line, it can be concluded that the residual data is normally distributed and meets the assumption of normality.

B. Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	,266	,043		6,148	,000		
	Return On Asset	-,234	,092	-,404	-2,527	,015	,615	1,625
	Sales Growth	,029	,028	,150	1,047	,301	,769	1,300
	Leverage	,043	,021	,317	2,069	,045	,673	1,487
	Capital Intensity	-,031	,054	-,077	-,566	,574	,849	1,178

a. Dependent Variable: Tax avoidance

Source: SPSS Version 25. The

table shows that the return on asset (ROA) variable has a tolerance value of 0.615 and a VIF value of 1.625. The sales growth variable has a tolerance value of 0.769 and a VIF value of 1.300. The leverage variable (DER) has a tolerance value of 0.673 and a VIF value of 1.487. The capital intensity variable has a tolerance value of 0.849 and a VIF value of 1.178.

Based on these results, it is known that all independent variables, both return on assets, sales growth, leverage, and capital intensity have a tolerance value greater than 0.10 and a VIF value less than 10. This indicates that there is no multicollinearity between independent variables. in the regression model so that this regression equation is feasible to be used for further analysis.

C. Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,569[a]	,323	,260	,05245	1,011

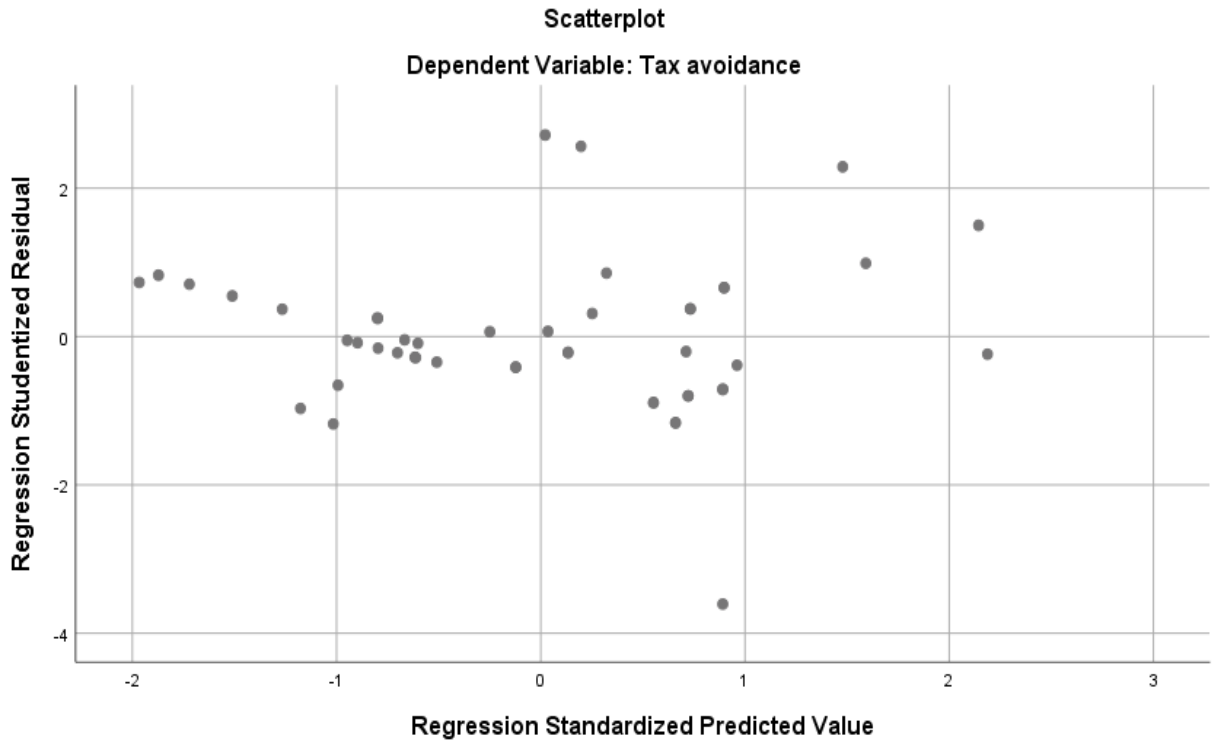
a. Predictors: (Constant), Capital Intensity, Return On Assets, Sales Growth, Leverage

b. Dependent Variable: Tax avoidance

Source: SPSS Version 25.

Based on the results of the table above, it shows that the result of the Durbin-Watson test value is 1.011, where this value is between -2 and +2. So it can be concluded that the research regression model does not occur autocorrelation because -2 < 1.011 < 2, and is declared feasible to be used for research.

D. Heteroscedasticity Test



Source: SPSS Version 25.

Based on the figure, it can be seen that the data points spread randomly above and below the number 0 (zero) on the Y axis and do not form a certain pattern. It can be concluded that this study did not occur heteroscedasticity so that the regression model was declared feasible to be used for research.

Hypothesis Testings
Determination Coefficient Test (R2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,569[a]	,323	,260	,05245	1,011

a. Predictors: (Constant), Capital Intensity, Return On Assets, Sales Growth, Leverage

b. Dependent Variable: Tax avoidance

Based on the table above, it can be seen that the R Square results of 0.323 or 32.3% this value can be interpreted that the independent variables return on assets, sales growth, leverage, and capital intensity can explain 32.3% of the dependent variable Tax Avoidance. While the remaining 67.7% (100% - 32.3%) is influenced by other factors or variables outside this study.

Simultaneous Test (Statistical Test F)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,056	4	,014	5,134	,002[b]
	Residual	,118	43	,003		
	Total	,175	47			

a. Dependent Variable: Tax avoidance

b. Predictors: (Constant), Capital Intensity, Return On Assets, Sales Growth, Leverage

Source: SPSS Version 25.

Based on the table above, it can be concluded that the independent variables, namely return on assets, sales growth, leverage, and capital intensity have an effect together (simultaneous) to Tax Avoidance because it has a value of F(table) 3.21 < F(count) 5.134 and has a significance level that is smaller than the value of 0.05 (0.002 < 0.05). So the hypothesis proposed in the H5 study is accepted.

Partial Test (Test Statistics t)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,266	,043		6,148	,000		
	Return On Asset	-,234	,092	-,404	-2,527	,015	,615	1,625
	Sales Growth	,029	,028	,150	1,047	,301	,769	1,300
	Leverage	,043	,021	,317	2,069	,045	,673	1,487
	Capital Intensity	-,031	,054	-,077	-,566	,574	,849	1,178

a. Dependent Variable: Tax avoidance

Source: SPSS Version 25.

Based on the table above, it can be concluded as follows:

a. The Effect of Return On Assets on Tax Avoidance

Based on the results of the t statistical test, the Return On Asset variable has a value of t(table) 2.01669 < t(count) 2.527 and the significance level is smaller than the value of 0.05 (0.015 < 0.05) indicating that Return On Assets has a significant effect on Tax Avoidance, the hypothesis proposed in the H1 study is accepted and it can be concluded that Return on Assets has a significant effect on Tax Avoidance.

b. Effect of Sales Growth on Tax Avoidance

Based on the statistical test results, the t variable Sales Growth has a value of t(table) 2.01669 > t(count) 1.047 and the significance level is greater than the value of 0.05 (0.301 > 0.05) indicating that Sales Growth has no significant effect on Tax Avoidance , then the hypothesis proposed in the H2 study is rejected and it can be concluded that Sales Growth has no significant effect on Tax Avoidance.

c. Effect of Leverage on Tax Avoidance

Based on the test results, the Leverage variable has a value of t (table) 2.01669 < t (count) 2.069 and the significant level is less than the value of 0.05 (0.045 > 0.05) indicating that Leverage has a significant effect on Tax Avoidance, so the hypothesis is proposed in research H3 is accepted, and it can be concluded that Leverage has a significant effect on Tax Avoidance.

d. Effect of Capital Intensity on Tax Avoidance

Based on the results of the test the Capital Intensity variable has a value of t (table) 2.01669 > t (calculated) 0.566 and the significance level is greater than the value of 0.05 (0.574 > 0.05) indicating that Capital Intensity has no significant effect on Tax Avoidance, then the hypothesis proposed in research H4 is rejected, and it can be concluded that capital intensity has no significant effect on tax avoidance.

V. CONCLUSION

This study examines the effect of Leverage, Profitability and Executive Share Ownership on Tax Avoidance supported by the SPSS (Statistical Package for the Social Sciences) 25 program. This research was conducted on mining companies listed on the Indonesia Stock Exchange during 2017-2020 totaling 47 companies sampled in This research is 12 companies.

Based on the results of the analysis and discussion of research that has been described previously in chapter IV, the following conclusions can be drawn:

1. Return on Assets as measured by comparing net income after tax with total assets, has a significant effect on Tax Avoidance. It is proven that the Return On Assets variable has a t (table) value of 2.01669 < t (calculated) 2.527 and a significance level of 0.015, the value is smaller than 0.05 so it can be concluded that the Return On Assets variable has a significant effect on Tax Avoidance.

2. Sales Growth, which is measured by comparing the current year's sales with the previous year's sales, has no significant effect on Tax Avoidance. It is proved that the Sales Growth variable has a value of t(table) 2.01669 > t (calculated) 1.047 and a significance level of 0.301, the value is greater than 0.05 so it can be concluded that the Sales Growth variable has no significant effect on Tax Avoidance.

3. Leverage which is measured using the Debt of Equity Ratio (DER) by comparing total debt and total capital, has a significant effect on Tax Avoidance. It is proven that the Leverage variable on Tax Avoidance has a value of t (table) 2.01669 < t (count) 2.069 and a significance level of 0.045, the value is smaller than 0.05 so it can be concluded that the Leverage variable has a significant effect on Tax Avoidance.

4. Capital Intensity as measured by comparing total assets with the total assets owned by the company, has no significant effect on Tax Avoidance. It is proven that the Capital Intensity variable on Tax Avoidance has a t (table) value of 2.01669 > t (calculated) 0.566 and a significance level of 0.574, the value is greater than 0.05 so it can be concluded that the Capital Intensity variable has no significant effect on Tax Avoidance. .

5. Return on Assets, Sales Growth, Leverage and Capital Intensity have a simultaneous effect on Tax Avoidance. It is proven that the independent variables, namely Return on Assets, Sales Growth, Leverage and Capital Intensity on Tax Avoidance, have a significance level value that is smaller than the value of 0.05 (0.000 <

0.05). So it can be concluded that the independent variables Return on Assets, Sales Growth, Leverage and Capital Intensity together have a significant effect on Tax Avoidance.

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